

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 2, 2000

TO IMPLEMENT THE UNITED STATES-CARIBBEAN BASIN
TRADE PARTNERSHIP ACT

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. Section 211 of the United States-Caribbean Basin Trade Partnership Act (Title II of Public Law 106-200) (CBTPA), which amends section 213(b) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(b)), provides that certain preferential tariff treatment may be provided to eligible articles that are the product of any country that the President designates as a "CBTPA beneficiary country" pursuant to section 213(b)(5)(B) of the CBERA (19 U.S.C. 2703(b)(5)(B)), provided that the President determines that the country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA (19 U.S.C. 2703(b)(4)(A)(ii)) relating to the implementation of procedures and requirements similar to those in chapter 5 of the North American Free Trade Agreement (NAFTA).

2. Section 211 of the CBTPA, which amends section 213(b) of the CBERA (19 U.S.C. 2703(b)), provides that eligible textile and apparel articles of a designated CBTPA beneficiary country shall enter the United States free of duty and free of quantitative limitations, provided that the President determines that the country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA relating to the implementation of procedures and requirements similar to those in chapter 5 of the NAFTA.

3. Section 212 of the CBTPA, which amends section 213(a) of the CBERA (19 U.S.C. 2703(a)), provides duty-free treatment for certain liqueurs and spirituous beverages produced in Canada from rum that originates in a designated beneficiary country or the Virgin Islands of the United States.

4. In order to implement the tariff treatment provided under the CBTPA, it is necessary to modify the Harmonized Tariff Schedule of the

United States (HTS), thereby incorporating the substance of the relevant provisions of the CBTPA.

5. Section 604 of the Trade Act of 1974 (the "1974 Act") (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

6. I have determined that it is appropriate to authorize the United States Trade Representative (USTR) to perform the functions specified in section 213(b)(4)(A)(ii) of the CBERA and certain functions under section 604 of the 1974 Act.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including section 301 of title 3, United States Code, sections 211 and 212 of the CBTPA, section 213 of the CBERA, and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide for the preferential treatment provided for in section 213 of the CBERA (19 U.S.C. 2703), as amended by the CBTPA, the HTS is modified as provided in the Annex to this proclamation.

(2) The following countries are designated as CBTPA beneficiary countries pursuant to section 213(b)(5)(B) of the CBERA:

Antigua and Barbuda
Aruba
Bahamas
Barbados
Belize
Costa Rica
Dominica
Dominican Republic
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Montserrat

Netherlands Antilles
Nicaragua
Panama
St. Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Trinidad and Tobago
British Virgin Islands

(3) The USTR is authorized to determine whether each designated beneficiary country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA relating to the implementation of procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA. To implement such determination or determinations, the USTR is authorized to exercise the authority provided to the President under section 604 of the 1974 Act to embody modifications and technical or conforming changes in the HTS. The determination or determinations of the USTR under this paragraph shall be set forth in a notice or notices that the USTR shall cause to be published in the Federal Register. Such notice or notices shall modify general note 17 of the HTS by listing the countries that satisfy the requirements of section 213(b)(4)(A)(ii) of the CBERA.

(4) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(5) This proclamation is effective on the date of signature of this proclamation, except that the modifications to the HTS made by the Annex to this proclamation, as further modified by any notice to be published in the Federal Register as described in paragraph 3 of this proclamation, shall be effective on the date announced by the USTR in such notice.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fifth.

WILLIAM J. CLINTON

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ANNEX

Section A. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date published by the United States Trade Representative in the Federal Register, the Harmonized Tariff Schedule of the United States (HTS) is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled “Heading/Subheading”, “Article Description”, and “Rates of Duty 1-Special”.

- (1). General note 3(c)(i) to the tariff schedule is modified by inserting at the end thereof a new line reading “United States-Caribbean Basin Trade Partnership Act...R”.
- (2). General notes 16, 17, 18, 19, 20 and 21 to the tariff schedule are redesignated as general notes 18, 19, 20, 21, 22 and 23.
- (3). The following new general note 17 to the tariff schedule is inserted in numerical sequence:

“17. Products of Countries Designated as Beneficiary Countries under the United States-Caribbean Basin Trade Partnership Act of 2000.

- (a) The Caribbean Basin countries that will be enumerated in this note in a Federal Register notice by the United States Trade Representative, having previously been designated by the President pursuant to section 211 of the United States-Caribbean Basin Trade Partnership Act (CBTPA), shall be treated as beneficiary countries for purposes of this note on and after the effective date announced in such notice.
- (b) Articles provided for in a provision for which a rate of duty appears in the “Special” subcolumn followed by the symbol “R” in chapters 1 through 97 of the tariff schedule are those designated by the President to be eligible articles for purposes of the CBTPA pursuant to section 211 of that Act. Whenever an eligible article which is a good of one or more designated beneficiary CBTPA countries enumerated in subdivision (a) of this note is imported directly into the customs territory of the United States, such article shall be entitled to receive the duty-free or reduced duty treatment provided for herein, provided that such good--

- (i) was wholly obtained or produced entirely in the territory of one or more designated beneficiary countries enumerated in subdivision (a) of this note, or
- (ii) would be an originating good for purposes of general note 12 to the tariff schedule, if such good were imported thereunder.

No article or material of a designated beneficiary country enumerated in subdivision (a) of this note and receiving the tariff treatment specified in this note shall be eligible for such duty-free treatment by virtue of having merely undergone simple combining or packing operations, or mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

- (c) Whenever a rate of duty other than “Free” appears in the “Special” rates of duty subcolumn for any heading or subheading followed by the symbol “E” or “E*” and a lower rate of duty appears in such subcolumn followed by the symbol “R”, an eligible article under the terms of this note entered under such provision from a designated beneficiary CBTPA country enumerated in subdivision (a) of this note shall receive such lower rate of duty.
- (d) The duty-free treatment provided for in this note shall be effective with respect to eligible articles from a designated CBTPA country enumerated in subdivision (a) of this note that are entered, or withdrawn from warehouse for consumption, on or after the date announced in a Federal Register notice issued by the United States Trade Representative, and shall remain in effect through the earlier of--
 - (i) the close of September 30, 2008; or
 - (ii) the date on which the Free Trade Area of the Americas or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103-182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the CBTPA beneficiary country.”

(4). The Rates of Duty 1-Special subcolumn in the HTS is modified for each

of the following HTS provisions by inserting the symbol “R” in alphabetical order in the parentheses following the “Free” rate of duty.

Annex (con.)

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2710.00.35
2710.00.40
4602.10.21
4602.10.22

4602.10.25
4602.10.29
6401.92.60
6402.19.15

6402.19.50
6402.19.70
6402.19.90
6402.30.60

6402.99.14
6403.19.40
6403.59.15
6404.11.40

6404.11.90
6404.19.40
6404.19.90
6406.10.50

(5). Subchapter XVII of chapter 98 of the HTS is modified by inserting in numerical sequence the following new U.S. note and heading:

“6. For purposes of heading 9817.22.05, the duty-free treatment shall apply to liqueurs and spirituous beverages produced in the territory of Canada from rum if--

- (i) such rum is the growth, product, or manufacture of a designated Caribbean Basin Economic Recovery Act (CBERA) beneficiary country enumerated in general note 7(a) to the tariff schedule or of the Virgin Islands of the United States;
- (ii) such rum is imported directly from a designated CBERA beneficiary country enumerated in general note 7(a) to the tariff schedule or from the Virgin Islands of the United States into the territory of Canada, and such liqueurs and spirituous beverages are imported directly from the territory of Canada into the customs territory of the United States;
- (iii) when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.40 or 2208.90 of the tariff schedule; and
- (iv) such rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.

9817.22.05 Rum, tafia, liqueurs and spirituous beverages, of a type classifiable in subheading 2208.40 or 2208.90 and described in U.S. note 6 to this subchapter”

Section B. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date published in the Federal Register by the United States Trade Representative, chapter 98 of the Harmonized Tariff Schedule of the United States is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled “Heading/Subheading”, “Article Description”, and “Rates of Duty 1-Special”.

(1). The following new U.S. note is inserted in numerical sequence in subchapter II of chapter 98 of the tariff schedule:

“7. For purposes of heading 9802.00.80, duty-free treatment shall be accorded to the following articles imported directly from a beneficiary United States-Caribbean Basin Trade Partnership Act (CBTPA) country previously designated by the President in a proclamation issued pursuant to such Act and enumerated in general note 17(a) to the tariff schedule--

- (i) apparel articles assembled in one or more such beneficiary countries from fabrics wholly formed and cut in the United

States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of chapter 56 and are wholly formed and cut in the United States); or

- (ii) textile luggage assembled in a designated beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States.

Articles otherwise eligible to enter under this heading, and which satisfy the conditions set forth in U.S. note 3 to subchapter XX of this chapter, shall not be ineligible to enter under this heading. Articles covered by the terms of this note shall be admitted into the customs territory of the United States free of quantitative limitations.”

- (2). (a) The article description of heading 9802.00.80 is modified by inserting immediately after “heading 9802.00.90” the expression “and goods imported under provisions of subchapter XX”.
 - (b) The Special rates of duty subcolumn for such heading is modified by inserting below the last rate in such subcolumn the expression “Free, for products described in U.S. note 7 to this subchapter”.
- (3). The following new subchapter XX is inserted in chapter 98 of the HTS, together with its U.S. notes and tariff provisions:

SUBCHAPTER XX

GOODS ELIGIBLE FOR SPECIAL TARIFF BENEFITS UNDER THE UNITED STATES-CARIBBEAN BASIN TRADE PARTNERSHIP ACT

U.S. Notes

- 1. The tariff treatment provided in this subchapter shall be accorded only to textile and apparel articles that are described in such subheadings and imported directly into the customs territory of the United States from a designated United States-Caribbean Basin Trade Partnership Act (CBTPA) beneficiary country enumerated in general note 17(a) to the tariff schedule.
- 2. (a) Except as provided in this note, textile and apparel articles described in subheadings 9820.11.03 through 9820.11.30,

inclusive, of this subchapter that are imported directly into the customs territory of the United States from a designated beneficiary CBTPA country enumerated in general note 17(a) to the tariff schedule shall be eligible to enter free of duty and free of any quantitative limitations, except as provided in this subchapter, under the terms of the provisions set forth in such subheadings and applicable legal notes, as indicated by the rate of duty of “Free” in the Special rates of duty subcolumn for such provisions.

- (b) Imports of apparel articles under subheading 9820.11.09 shall be limited, in the period beginning on the date announced in a Federal Register notice issued by the United States Trade Representative and continuing through the close of September 30, 2001, to an aggregate quantity not to exceed 250,000,000 square meter equivalents. Such imports of apparel articles shall be limited, during each of the one-year periods provided for herein, to the following aggregate quantity of square meter equivalents:

12-Month Period	Square Meter Equivalents
October 1, 2001 through September 30, 2002.....	290,000,000
October 1, 2002 through September 30, 2003.....	336,400,000
October 1, 2003 through September 30, 2004 and subsequent 12-month periods.....	390,224,000

- (c) Imports of t-shirts under subheading 9820.11.12 shall be limited, in the period beginning on the date announced in a Federal Register notice issued by the United States Trade Representative and continuing through the close of September 30, 2001, to an aggregate quantity not to exceed 4,200,000 dozen. Such imports of such t-shirts shall be limited, during each of the one-year periods provided for herein, to the following aggregate quantity:

12-Month Period	Aggregate Quantity in Dozens
October 1, 2001 through September 30, 2002	4,872,000
October 1, 2002 through September 30,	

2003	5,651,520
October 1, 2003 through September 30,	
2004	6,555,763
October 1, 2004 through September 30, 2005	
and subsequent 12-month	
periods	7,604,685

(d) For purposes of subheading 9820.11.15, imports of brassieres of a producer or an entity controlling production, during the period beginning on October 1, 2001, and during each of the six succeeding 1-year periods, shall be eligible for preferential treatment only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period. The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the provisions of this paragraph. If the Customs Service finds that a producer or an entity controlling production has not satisfied such provisions in a 1-year period, then such apparel articles of that producer or entity shall be ineligible for preferential treatment under subheading 9820.11.15 during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity in the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

3. (a) An article otherwise eligible for preferential treatment under any provision of this subchapter shall not be ineligible for such treatment because the article contains--
 - (i) findings or trimmings of foreign origin, if the value of such findings and trimmings does not exceed 25 percent of the cost of the components of the assembled article; or
 - (ii) certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings of foreign origin) does not exceed 25 percent of the cost of the

components of the assembled article; or

- (iii) fibers or yarns not wholly formed in the United States or in one or more designated beneficiary countries enumerated in general note 17(a) to the tariff schedule, provided that the total weight of all such fibers and yarns is not more than 7 percent of the total weight of the article.

Notwithstanding subdivision (iii) above, an apparel article containing elastomeric yarns shall be eligible for preferential tariff treatment under this note only if such yarns are wholly formed in the United States.

- (b) For purposes of subdivision (a)(i) above, findings or trimmings eligible under such subdivision include sewing thread, hooks and eyes, snaps, buttons, “bow buds”, decorative lace trim, elastic strips, zippers (including zipper tapes and labels) and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 2.54 cm in width and used in the production of brassieres. For purposes of articles described in subheading 9820.11.06 and 9820.11.18, sewing thread shall not be considered to be findings or trimmings.
- (c) For purposes of subdivision (a)(ii) above, the interlinings eligible under such subdivision include only a chest type plate, a “hymo” piece, or “sleeve header”, of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.
- (d) For purposes of U.S. note 7(i) to subchapter II of this chapter and subheadings 9820.11.03, 9820.11.06 and 9820.11.18, an article otherwise eligible for preferential treatment under such subheadings shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5401.41.90, 5402.51.00 or 5402.61.00 of the tariff schedule that entered free of duty as a product of Israel under the terms of general note 8 to the tariff schedule or as a good of Canada or a good of Mexico under the terms of general note 12 to the tariff schedule.

4. For purposes of subheading 9820.11.30, goods entered under this provision must be certified, by a competent authority of a designated beneficiary country enumerated in general note 17(a) to the tariff schedule, as eligible products of such country, in accordance with requirements established by the appropriate U.S. government authority.

Articles imported from a designated beneficiary Caribbean Basin Trade Partnership country enumerated in general note 17(a) to the tariff schedule

9820.11.03 Apparel articles of chapter 61 or 62 assembled in one or more such countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed and cut in the United States), the foregoing which (1) are embroidered or were subjected to stone-washing, enzyme-washing, acid washing, permapressing, oven-baking, bleaching, garment-dyeing, screen printing or other similar processes, and (2) but for such embroidery or processing are of a type otherwise described in heading 9802.00.80 of the tariff schedule

9820.11.06 : Apparel articles cut in one or more such countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed in the United States), if such articles are assembled in one or more such countries with thread formed in the United States

9820.11.08 Apparel articles (other than socks provided for in heading 6115 of the tariff schedule) knit to shape in such a country from yarns wholly formed in the United States; knitted or crocheted apparel articles (except t-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 and described in subheading 9820.11.12) cut and wholly assembled in one or more such countries from fabrics formed in one or more such countries or from fabrics formed in one or more such countries and the United States, all the foregoing from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 of the tariff schedule and are formed in one or more such countries) and subject to the provisions of U.S. note 2(b) to this subchapter

9820.11.12 T-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 of the tariff schedule, made in one or more such countries from fabric formed in one or more such countries from yarns wholly formed in the United States, subject to the provisions of U.S. note 2(c) to this subchapter.

9820.11.15 Brassieres classifiable in subheading 6212.10 of the tariff schedule, both cut and sewn or otherwise assembled in the United States or one or more such countries or both, subject to the provisions of U.S. note 2(d) to this subchapter

9820.11.18 Knitted or crocheted apparel articles (except t-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 and described in subheading 9820.11.12) cut and assembled in one or more such countries from fabrics wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 of the tariff schedule and are formed wholly in the United States), if such assembly is with thread formed in the United States

9820.11.21 Textile luggage assembled in such a country from fabric cut in a beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States

9820.11.24 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn not formed in the United States or in one or more such countries, provided that such apparel articles of such fabrics or yarn would be considered an originating good under the terms of general note 12(t) to the tariff schedule without regard to the source of the fabric or yarn if such apparel article had been imported from the territory of Canada or the territory of Mexico directly into the customs territory of the United States

9820.11.27 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn designated by the appropriate U.S. government authority in the Federal Register as fabrics or yarn not available in commercial quantities in the United States, under any terms as such authority may provide

9820.11.30 Handloomed, handmade or folklore textile and apparel goods, under the terms of U.S. note 4 to this subchapter...